

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

KATHLEEN HODSON

Plaintiff,

vs.

INTEGRATED HEALTH SERVICES
LONG TERM CARE, INC. d/b/a
IHS AT BAYSIDE,

Defendant.

Civil Action No. 03 - 0374

Judge Maurice B. Cohill, Jr.

APPENDIX FOR EXHIBITS TO BRIEF IN SUPPORT OF
MOTION FOR SUMMARY JUDGMENT

#1

- A. Affidavit of Sheila Rist
- B. Deposition transcription Kathleen Hodson
- C. LPN job duty description
- D. Medical slips
- E. Light duty status slips
- F. Letter dated February 19, 2002, from Carol Kovski
- G. Memo regarding hot packs
- H. Affidavit of Carl Kovski
- I. Affidavit of Dave Dinges
- J. Affidavit of Kathleen Mannion
- K. Affidavit of Roger Watkins

- L. Affidavit of Jennifer Heiser
- M. Employee Counseling Forms for Kathleen Hodson
- N. Punch detail report
- O. Patient list for Northwest Mall and Ambassador Mall for May 17, 2005
- P. Affidavit of Ray Martinez
- Q. Disciplinary Action Form for Kathleen Hodson, May 17, 2005
- R. Affidavit of Maureen Magraw
- S. Affidavit of Carmen Callicott
- T. Affidavit of Donna Marsili
- U. Executed Employee Corporate Compliance Acknowledgments signed by Kathleen Hodson

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

KATHLEEN HODSON

Plaintiff,

vs.

ALPINE MANOR, INC. d/b/a
INTEGRATED HEALTH SERVICES
OF ERIE AT BAYSIDE

Defendant.

Civil Action No. 03 - 0374e

Judge Maurice B. Cohill, Jr.

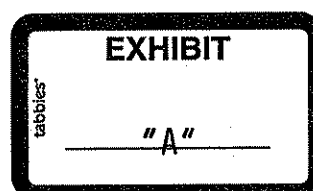
AFFIDAVIT OF SHEILA RIST

I, Sheila Rist, do hereby depose and voluntarily state:

1. I have personal knowledge and I am competent to testify as to the matters set forth herein.

2. I am employed at Integrated Health Services of Bayside (hereinafter "IHS") as the Human Resources Manager. IHS of Erie at Bayside is a skilled nursing facility that believes that its patients should receive the highest quality of patient care. This entails the facility meeting at all times all local, state and federal laws and regulations, as well as established Company policies and procedures. To this end, IHS insists that its staff strictly adhere to facility policies.

3. Kathleen Hodson was employed at IHS as an LPN at IHS from on or about May 15, 1997 until May 17, 2002. Ms. Hodson was injured at work on or about



March 30, 2001 and she filed a worker's compensation claim. She was off work for a short period of time and returned to light-duty status. Ms. Hodson was released to full-duty by the employer's doctor, however, Ms. Hodson complained that she was not well enough to return to full duty. A true and correct copy of the release to full-duty is attached hereto as Exhibit "A." Thereafter, IHS sent her to a different doctor and Ms. Hodson was returned to a light duty status. She remained on light duty status from July 6, 2001 until her separation from the company, once in a while taking time off work because of alleged back pain. During this period, she generally worked with a 20-30 pound lifting restriction. A true and correct copy of Hodson's physician notes are attached hereto as Exhibit "B."

4. Ms. Hodson went out on a temporary leave in the beginning of 2002. When she returned to light duty on March 28 2002, correspondence was sent to her from Carl Kovski, outlining her light duty assignments. Attached hereto as Exhibit "C" is a copy of this correspondence, a copy of the light duty restriction and a copy of the light duty job description.

5. IHS accommodated Ms. Hodson based on the recommendations of her doctor. IHS made accommodations for Ms. Hodson such as having other employees push the medication cart down the hall and assist her when needed with patient care. She was also permitted to go to the physical therapy room and put hot packs on her back and lay down on the therapy mats during breaks. Ms. Hodson put this request in writing and Mr. Kovski approved it. A copy of Ms. Hodson's written request and approval by Mr. Kovski is attached hereto as Exhibit "D." To my knowledge, Ms. Hodson was informed to follow her restrictions and she would not be asked to perform

duties outside of her light duty job description. I am not aware of any request for reasonable accommodations that was made by her and denied by IHS

6. To my knowledge, Ms. Hodson was not disabled in any way, nor did I perceive her as being disabled. She never claimed to be disabled. She simply was on light duty status from an injury and occasionally took time off from work due to alleged pain.

7. Ms. Hodson often was overly dramatic about her physical limitations and it was my impression that she did not want to work and would do just about anything to get out of performing an assigned task. She would complain that there was no one around to help her, but there were always nurses aides assigned to every hall and all she had to do was ask. She complained she did not want to perform certain tasks, even though those tasks were within her light duty restrictions.

8. Ms. Hodson was reprimanded several times during the course of her employment for insubordination and failure to follow proper policy and procedures. Ms. Hodson's personnel file shows she was reprimanded as follows: (1) August 21, 1997, for failure to follow proper policy and procedure in re-capping a lancet, which caused a needle stick to herself; (2) August 22, 1997 for giving the wrong medication to a patient and failing to call physician and document file upon discovery of mistake; (3) December 1, 1997 failure to follow medication administration policy by giving a patient the wrong medication; (4) December 3, 1997 for failure to follow proper documentation procedure; (5) December 29, 1997, for failure to follow physician orders with a patient; (6) December 18, 1998, for failure to meet minimum standards of care of patients; (7) April 2, 1998, for failing to remove an IV from a patient in a timely manner; (8) February

25, 1999 for failing to properly document failure to provide treatment or explain why treatment was not provided; (9) June 6, 2001, verbal warning for improper documentation; (10) November 11, 2001, verbal warning for excessive absenteeism; (11) January 29, 2002 for failing to properly sign in and out for lunch and breaks; (12) May 14 2002, for failing to properly complete a narcotic count and document file. A true and correct copy of these documented verbal and written warnings are attached hereto as Exhibit "E." Ms. Hodson could have been terminated for several of these infractions, however, IHS counseled Ms. Hodson and continued to employ her.

9. On May 17, 2002, Ms. Hodson was assigned to work on the Northwest Hall. IHS was staffed challenged on this date and it was necessary to adjust staff assignments to cover the care for all the patients. When Ms. Hodson reported to work, she clocked in and saw her assignment to the Northwest Hall. A true and correct copy of her punch card for May 17, 2002 is attached as Exhibit "F."

10. I was present when Ms. Hodson spoke with Dave Dinges about her hall assigned, as was Kathy Mannion. Ms. Hodson told Mr. Dinges that she could not work on Northwest Hall and claimed she was only permitted to work on Ambassador Hall. Mr. Dinges asked her why she could not work on Northwest Hall and she did not provide a reason. Ms. Hodson's claim that she was unable to work that Hall was invalid because her restrictions would be considered in either Hall. On May 17, 2002, the patient load in the Northwest Hall was similar to the Ambassador Hall Ms. Hodson wanted to work on. A true and correct copy of the patient list is attach as Exhibit "G."

11. Mr. Dinges told Ms. Hodson that her assignment to Northwest Hall would stand and that it did not violate her restrictions. He stated that she could either work Northwest Hall or if she left she would no longer be employed for refusing the job assignment. Ms. Hodson said she was leaving and she punched out and left the facility. See Exhibit "F." Also attached as Exhibit "H" are the notes I took documenting this incident. When she walked off the job, she was in violation of IHS policy as she abandoned her patients without adequate notice or without finding a replacement. As a nurse at IHS, every employee is responsible for every patient in the building.

12. While it may be true that Ms. Hodson generally worked on Ambassador Hall, her restrictions did not prevent her from performing the same job duties on a different hall. No nurse is permanently assigned to a specific hall at IHS, as staff are rotated around the various halls when necessary to ensure coverage of care for all the patients. To my knowledge, Ms. Hodson was never specially assigned to Ambassador Hall by anyone at IHS, but she worked on Ambassador Hall on regular basis.

19. After Ms. Hodson walked out, Mr. Dinges filled out a Disciplinary action form documenting what occurred, as explained above. A copy of this disciplinary action form is attached as Exhibit "I." Ms. Hodson was not fired. She voluntarily quit her position when she refused to work on the Northwest Hall and abandoned her patients. I also filled out the appropriate paperwork, noting Ms. Hodson's separation from the company was due to job abandonment.

20. With respect to Ms. Hodson's allegations of discrimination, harassment and retaliation by Dave Dinges and Roger Watkins, I believe her allegations to be

baseless and unfounded. I never witnessed Mr. Dinges or Mr. Watkins treating Ms. Hodson inappropriately. Any employment decisions made with respect to Ms. Hodson's employment at IHS were made for legitimate business reasons having nothing whatsoever to do with Ms. Hodson's allegations. Although she did make general venting type complaints to me about management of IHS in general, she never claimed that she was being discriminated against, harassed or retaliated against.

21. If Ms. Hodson wished to file a complaint, about any manner, she could have done so through my office, through the Administrator, Carl Kovski, corporate headquarters and there was a 1-800 hot line that employees could call. These procedures were outlined in the employee handbook and employees were advised of these procedures upon hire. A copy of the employee handbook is attached hereto as Exhibit "J." Furthermore, the 1-800 hotline number was posted throughout the facility and employees had access to call this hotline at anytime. As far as I am aware, Ms. Hodson never filed any complaints against Mr. Dinges or Mr. Watkins, nor did she call the 1-800 hotline.


22. Ms. Hodson had a problem with David Dinges because he held her to her job requirements and would not let her neglect her work. This is how Mr. Dinges treated all employees at IHS, as his main objective was quality care for the patients.

23. Mr. Watkins is openly gay and Ms. Hodson is open about her religious convictions. Ms. Hodson had a problem with Mr. Watkin's sexual preference and they generally had personality conflicts because of this.

24. I never heard Mr. Waktins or Mr. Dinges disparage Ms. Hodson based on her religious beliefs and Ms. Hodson never made any such complaints. She never complained about an incident involving statements allegedly made by Mr. Dinges questioning whether Ms Hodson "laid her hand on patients and healed them" or that he posted a note on the pin-up board that disparaged Ms. Hodson's religion. Ms. Hodson never complained to me that Mr. Watkins threw a box of lancets to her and joked about her physical ability to catch the small box. She never complained that he made statements about wanting to give patients flu shots in their butts, or him joking about how Attends would not fit him because of his physical endowments. She never complained that he talked about wanting "to do it with a priest." I never heard any complaints that Mr. Watkins pinched Ms. Callicott's nipples, nor did Ms. Callicott complain of such misconduct. I never witnessed any of these incidents, and no other employee complained of such conduct. In fact, no other employee made any complaints against Mr. Dinges or Mr. Watkins based on religious discrimination, sexual harassment or any type of discrimination or harassment. These allegations only were made by Ms. Hodson after she quit her position. In fact, I was shocked to hear of these complaints.

I have read and had an opportunity to correct this Affidavit consisting of 7 pages and I hereby verify under penalty of perjury that the statements contained in this Affidavit are true and correct to the best of my knowledge and belief.

Dated: 07-28-2005


Sheila Rist

Patient's Name Kathleen Hodson Date _____

No work until next appointment _____

Return to work date _____

* Restrictions:

Lifting _____ Lbs. _____

Squatting _____

Standing _____

Sitting _____

Continue current restrictions ☒ son now, then

Follow-up appointment _____

bulk duty
7/2/01

Physician _____

Orthopaedic Surgeons, Inc.
204 West 26th Street
Erie, PA 16508

EXHIBIT

tabbies

"A"

THIS FORM IS TO BE FILED WITH THE EMPLOYER OR INSURER ACCORDING TO INSTRUCTIONS PROVIDED ON THIS FORM.

Name of Employee KATHLEEN HODSON
 Name of Employer IHS AT BAYSIDE
 Name of Insurer IHS OF ERIE AT BAYSIDE
 Claim Number (if known) C395C5257989 Date of Birth 11/26/46
 Employee SS# 200-34-7211 Date of Injury 3/30/01
 Date of Report 3/5/02
 Provider Name ORTHOPAEDIC & SPORTS MEDICINE

03/05/02	KATHLEEN HODSON	REFERRING PHYSICIAN
DATE	NAME	

The patient apparently has not returned to work because of her severe pain and her family physician kept her off work for some period of time. She states that the pain is worsening. It is in her back and now it is going to her left leg as well. She has been taking muscle relaxants and Darvocet. She tells me that she just knows she is not capable of working. She did see Dr. Falasca for initial evaluation and injections are going to be carried out on March 14th. At her request, I have given her a slip that she can be off work for two weeks to facilitate the injections. I gave her a prescription for Darvocet N 100-50 with two refills. I gave her the benefit of the doubt, however, I think that her complaints are out of proportion to the MRI findings that we have been able to ascertain up until this point in time.

John J. Euliano, Jr., M.D./cao

ORTHOPAEDIC & SPORTS MEDICINE OF ERIE, P.C.
 300 STATE ST. • SUITE 400 A • ERIE, PA 16507
 PHONE (814) 454-8287 • FAX (814) 454-8470

Providers may not charge for documentation supporting a claim for payment. Providers may charge their usual fee for special reports specifically requested by the Employer/Insurer. All patient information shall be submitted with the knowledge of the patient and must be maintained as confidential by the Employer/Insurer. The insurance plan or program shall not be liable to pay for treatment until the report/claim form has been filed.

Listed on the reverse are guidelines for the completion of ~~claim forms and instructions of providers~~

EXHIBIT

"B"

FUNCTIONAL CAPACITY EVALUATION
SUMMARY PAGE

Patient name : Kathleen Hodson

Eval date: 12-18-01

Referral source: Dr. M. Ang

Dx: Lumbar Disc HNP

LIFTING TOLERANCES:

	Occasional	Frequent
Floor to Knuckle:	20#	10#
Knuckle to Shoulder:	10#	did not demonstrate
Carry:	17#	did not demonstrate

POSITIONAL TOLERANCES:

	Occasional (0-33%)	Frequent (34-66%)	Constant (67-100%)
Sit:		X	
Stand:		X	
Walk:	X		
Squat:	X		
Kneel:	unable		
Climb Stairs:		X	
Reach Forward:		X	
Reach Overhead:		X	
Use Foot Pedals:		X	
Grip Firmly:		X	
Fine Manipulation:		X	
Static Head:		X	
Trunk Bend:	X		
():			
():			

RESULT: The client demonstrated the ability to work in the LIGHT classification category for an 8 hour day. (According to the US Department of Labor Standards.)

Signed: Evaluator : D. Feltmeyer, PT Date: 12-18-01

PHYSICIAN : (I concur with the above, with changes as indicated)

Physician signature here : _____ Date: _____

DEA #

868-3096-11 AM

ORTHOPAEDIC AND SPORTS MEDICINE OF ERIE, P.C.
300 State Street, Suite 400A • Erie, PA 16507 • (814) 454-8287Nick Stefanovski, M.D.
PA Lic. No. MD-039774-EGary J. Cortina, M.D.
PA Lic. No. MD0039260-EJohn Euliano Jr., M.D., David M. Babins, M.D., Kathy M. Sullivan, PA-C
PA Lic. No. MD-012162-E PA Lic. No. MD-044724-L PA Lic. No. MA-002965-L

NAME

Kathleen Holston

DATE 12/7/01

ADDRESS

Patient may work sedentary duty only
pending results of MRI

Refill _____ times PRN NR

SUBSTITUTION PERMISSIBLE _____

IN ORDER FOR A BRAND NAME PRODUCT TO BE DISPENSED, THE PRESCRIBER MUST HANDWRITE
"BRAND NECESSARY" OR "BRAND MEDICALLY NECESSARY" IN THE SPACE BELOW.

J. Stefanovski, M.D.

DEA # _____

BAYVIEW MEDICAL GROUP

GEOFFREY BURBRIDGE, M.D.

ANNE-MARIE LISZKA, D.O.

MARY ANN ANDRIOLE-WENDEL, D.O.

LISA REMALEY-WALTERS, M.D.

140 WEST SECOND STREET, SUITE 203

ERIE, PA 16507

814-877-5040

PA Lic No. MD-023456-E

PA Lic No. OS-007550-L

PA Lic No. OS-006569-L

PA Lic No. MD-062655-L

NAME

Kathleen Hodson

ADDRESS

DATE

9/11/01

R

(Please Print)

excuse pt from
work x 1 week
due to leg pain

REFILL _____ TIMES PRN NR

SUBSTITUTION PERMISSIBLE

O4 (Liszka)

IN ORDER FOR A BRAND NAME PRODUCT TO BE DISPENSED,
THE PRESCRIBER MUST HANDWRITE BRAND NECESSARY OR
BRAND MEDICALLY NECESSARY IN THE SPACE BELOW.

14-MAY-99

01-100572860-3-9155_0002

MARY ANN ANDRIOLE-WENDEL, D.O.

ANNE-MARIE LISZKA, D.O.

308 WEST 11TH STREET

ERIE, PA 16501

814-456-8105

PA Lic No. OS-007550-L

PA Lic No. OS-006569-L

NAME

Kathleen Hodson

ADDRESS

DATE

2-18-02

R (Please Print)

Excuse from work
time now timeApril 1st- pt. 2 medical
condition.

REFILL _____ TIMES PRN NR

SUBSTITUTION PERMISSIBLE

M. Wendel D.O.

IN ORDER FOR A BRAND NAME PRODUCT TO BE DISPENSED,
THE PRESCRIBER MUST HANDWRITE BRAND NECESSARY OR
BRAND MEDICALLY NECESSARY IN THE SPACE BELOW.

04-SEP-01

TRI010904_100173494-1_01_25993_0010

DEA # _____

MARY ANN ANDRIOLE-WENDEL, D.O.

ANNE-MARIE LISZKA, D.O.

308 WEST 11TH STREET

ERIE, PA 16501

814-456-8105

PA Lic No. OS-007550-L

PA Lic No. OS-006569-L

NAME

Kathleen Hodson

ADDRESS

DATE

2/14/02

R (Please Print)

excuse from work

2/14, 2/15, 2/16, 2/17

due to back strain

REFILL _____ TIMES PRN NR

SUBSTITUTION PERMISSIBLE

AS

D.O.

IN ORDER FOR A BRAND NAME PRODUCT TO BE DISPENSED,
THE PRESCRIBER MUST HANDWRITE BRAND NECESSARY OR
BRAND MEDICALLY NECESSARY IN THE SPACE BELOW.

04-SEP-01

TRI010904_100173494-1_01_25993_0010

WORKERS' COMPENSATION MEDICAL REPORT FORM

THIS FORM IS TO BE FILED WITH THE EMPLOYER OR INSURER ACCORDING TO INSTRUCTIONS PROVIDED ON THIS FORM.

Name of Employee KATHLEEN HODSON

Name of Employer IHS AT BAYSIDE

Name of Insurer IHS OF ERIE AT BAYSIDE

Claim Number (if known) C395C5257989 Date of Birth 11/26/46

7/6/01

KATHLEEN HODSON

DATE

NAME

REFERRING PHYSICIAN

CHIEF COMPLAINT: This is a 54 y.o. white female who was seen with the chief complaint of back pain. The patient states that on March 30th, 2001 while at work at the IHS at Bayside, she was lifting a resident that began to fall and she twisted and noted pain in her back. She subsequently had x-rays at St. Vincent's of the thoracic and lumbosacral spines on April 4th, 2001. These were normal. And she had an MRI of at the Imaging Center of the lumbar spine on 5/17/01, which showed a herniated disc L4-5 centrally. She had and MRI of her thoracic spine, which was negative. She has been treated by Dr. Ferris and was referred to Dr. Buseck and was told she can go back to work with no restrictions. She is currently on light duty with a 30-pound weight limit. Medications are Feldene and she takes extra-strength Tylenol and an occasional Flexeril. She has some radiation of the pain to her lower extremities but this was no a problem and feature of her disease.

PHYSICAL EXAMINATION: On physical examination today she is tender over the lumbar spine. She flexes to 80 degrees. Extension is 10 degrees. Straight leg raising is slightly positive on the left at about 60 degrees. It's negative on the right. Reflexes are 2+ at her knees and her ankles.

IMPRESSION: The impression is that of a herniated lumbar disc at L4-5.

DATE

NAME

REFERRING PHYSICIAN

RECOMMENDATIONS: I would recommend a light duty restriction with a 30-pound weight lifting limit. It more than likely will be permanent.

John J. Euliano, Jr., M.D./ink

cc: Dr. Mary Ann Wendel

ORTHOPAEDIC & SPORTS MEDICINE OF ERIE, P.C.
300 STATE ST. • SUITE 400-A • ERIE, PA 16507
PHONE (814) 454-8287 • FAX (814) 454-8470

ORTHOPAEDIC & SPORTS MEDICINE OF ERIE, P.C.
300 STATE ST. • SUITE 400-A • ERIE, PA 16507
PHONE (814) 454-8287 • FAX (814) 454-8470

The following descriptions are provided as a clarification for the terms typically used to describe an injured employee's restricted work level. Use them to interpret the enclosed PATIENT STATUS REPORT that has been forwarded to you regarding your employee.

Please give detailed consideration to the defined classifications in conjunction with any other work limitations noted on the report.

Please feel free to call us if you have any questions! Thank you.

SEDENTARY WORK - Lifting 10 pounds maximum and occasionally lifting and/or carrying such articles as dockets, ledgers and small tools. Although a sedentary job is defined as one which involved sitting, a certain amount of walking and standing is often necessary in carrying out job duties. Jobs are sedentary if walking and standing are required only occasionally and other sedentary criteria are met.

LIGHT WORK - Lifting 20 pounds maximum with infrequent lifting and or carrying and/or carrying of objects weighing up to 10 pounds. Even though the lifted weight may be only a negligible amount, a job is in this category when it requires walking and standing to a significant degree or when it involves sitting most of the time with a degree of pushing and pulling or arm and/or leg controls.

LIGHT MEDIUM WORK - Lifting 30 pounds maximum with frequent lifting and/or carrying of objects weighing up to 20 pounds.

MEDIUM WORK - Lifting 50 pounds maximum with frequent lifting and/or carrying of objects weighing up to 25 pounds.

LIGHT HEAVY WORK - Lifting 75 pounds maximum with frequent lifting and/or carrying of objects weighing up to 40 pounds.

HEAVY WORK - Lifting 100 pounds maximum with frequent lifting and/or carrying of objects weighing up to 50 pounds.

OCCASIONAL - Activities that are performed up to $\frac{1}{3}$ of the work day.

FREQUENT - Activities that are performed up to $\frac{2}{3}$ of the work day.



February 19, 2002

Certified 7000 1530 5531 5491


Ms. Kathy Hodson
2201 Keystone Drive
Erie, PA 16509

Ms. Hodson:

You will be receiving in the mail from Crawford, Slevin & Hicks, your short term disability papers. When you receive these papers there will be forms for you to fill out and for your physician to fill out. The employer will also have forms to fill out. Please return all completed forms to IHS Human Resources to be overnighted to Crawford, Slevin & Hicks. (Do not let your physician mail them; this delays the process.) Crawford, Slevin & Hicks will then review all forms to ensure everything is filled out.

At this time the facility still has light duty work available within your 20lb. max of weight lifting. Enclosed is a copy of your light duty job description, as well as the copy you gave us of functional capacity evaluation signed and dated December 18, 2001. These light duty jobs are well within the functional capacity range. Please review these with your physician. If there is something that your physician feels you should not do please have your physician specify.

Please contact the Administrator, Carl Kovski, by February 27, 2001 to set up a time to verify your return to work date, and to go over the light duty job description.


Carl Kovski, NHA
Administrator

CC: Evan J. Jenkins, Esquire
Lisa Williams of ESIS

Enclosure

EXHIBIT

"C"

**FUNCTIONAL CAPACITY EVALUATION
SUMMARY PAGE**

Patient name : Kathleen Rodson

Eval date: 12-18-01

Referral source: Dr. M. Ang

Dx: Lumbar Disc HNP

LIFTING TOLERANCES:

Occasional

Frequent

Floor to Knuckle:

20#

10#

Knuckle to Shoulder:

10#

did not demonstrate

Carry:

17#

did not demonstrate

POSITIONAL TOLERANCES:Occasional
(0-33%)Frequent
(34-66%)Constant
(67-100%)

Sit:

X

Stand:

X

Walk:



unable

Squat:

Kneel:

Climb Stairs:

X

Reach Forward:

X

Reach Overhead:

X

Use Foot Pedals:

X

Grip Firmly:

X

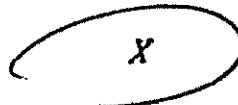
Fine Manipulation:

X

Static Head:

X

Trunk Bend:



():

():

RESULT: The client demonstrated the ability to work in the LIGHT classification category for an 8 hour day. (According to the US Department of Labor Standards.)

Signed: Evaluator: D. Feltmeyer, PT Date: 12-18-01

PHYSICIAN : (I concur with the above, with changes as indicated)

Physician signature here : _____ Date: _____

**• CHECK IN WITH THE SUPERVISOR UPON ARRIVAL
FOR ASSIGNMENTS**

***LIST ALL DUTIES THAT ARE COMPLETED DURING
THE SHIFT AND GIVE TO THE SUPERVISOR BEFORE
LEAVING**

-MA-51 FROM BUSINESS OFFICE

-IDDS COMPLETION

**-THIN CHARTS (GET DIRECTION FROM C. COVERDALE AND
ALL CHARTS NEED THINNED**

**-DINING ROOM - MONITOR AND FEED AT ALL MEALS DURING
YOUR SHIFT-WEEKDAYS AND WEEKENDS**

-NURSING ASSESSMENTS

**-WARD CLERK DUTIES ON WEEKENDS AND WARD CLERKS
DAYS OFF**

**-CHECK ALL DOOR NAME PLATES FOR ACCURACY AND
REPLACE**

-CHECK ALL RESIDENT NAME BANDS AND REPLACE

-SCHEDULING- CHECK WITH CAROL OTIS

-OTHER DUTIES AS ASSIGNED

-COPYING

SCHEDULED WORK HOURS WILL BE 7:00AM to 3:30PM.



Orthopaedic and Sports Medicine of Erie

Nick Stefanovski, M.D.
Gary J. Cortina, M.D.
John J. Euliano, Jr., M.D.
David M. Babins, M.D.
Kathy Sullivan, PA-C

300 State Street • Suite 400A • Erie, Pennsylvania 16507
(814) 454-8287 • FAX (814) 454-8470

DATE: 2-11-02

TO WHOM IT MAY CONCERN:

Hudson, Kathleen IS RELEASED TO

RETURN TO WORK ON 2-11-02

RETURN TO: _____ REGULAR DUTY _____ HOURS

X LIGHT DUTY _____ HOURS

RESTRICTIONS: 20# Lifting Rotation

John J. Euliano, Jr., M.D.

WORKERS' COMPENSATION MEDICAL REPORT FORM

THIS FORM IS TO BE FILED WITH THE EMPLOYER OR INSURER ACCORDING TO INSTRUCTIONS PROVIDED ON THIS FORM.

Name of Employee KATHLEEN HODSON.

Name of Employer IHS AT BAYSIDE

Name of Insurer IHS OF ERIE AT BAYSIDE

Claim Number (if known) C395C5257989 Date of Birth 11/26/46

7/6/01

KATHLEEN HODSON

IMPRESSION: The impression is that of a herniated lumbar disc at L4-5.

DATE

NAME

REFERRING PHYSICIAN

RECOMMENDATIONS: I would recommend a light duty restriction with a 30-pound weight lifting limit. It more than likely will be permanent.

John J. Euliano, Jr., M.D./ink

cc: Dr. Mary Ann Wendel

Carl,
Dorothy says I can
lie on a hot pack
on my 10 min break
if you give per-
mission. I really
need it. ~~KA please~~ ^{OK per}
~~KA please~~ ^{KA please} ^{the} ^{call on} ^{me} ^{amb.}

EXHIBIT

"D"

EMPLOYEE COUNSELING FORM

DATE: 8/21/97
 EMPLOYEE: Hodson K. LPN

PROBLEM: Failure To Follow Correct Policies & Procedures.
LPN Hodson recapped a "used" Lancel which resulted
in a needle stick. ITS Policy STATE NO
Recapping of SHARPS for any reason.

STATEMENT BY EMPLOYEE:

RESOLUTION OF PROBLEM OR ACTION TAKEN:

SHARPS ARE NOT to be Recapped for any reason @ anytime.
You NEED to Review Policies in the Infection Control
Manual. Failure to comply to Policies in the
future "will Result in Disciplinary Action OR TERMINATION!"

David W. [Signature] RN
8/21/97
8/22/97

Kathleen Hodson PH 8-22-97
 Signature of Employee Date

EMPLOYEE COUNSELING FORM

EXHIBIT

"E"

EMPLOYEE COUNSELING FORM

DATE 8/21/97
 EMPLOYEE Hodson K. LPN

PROBLEM: Failure To Follow Correct Policies & Procedures.
LPN Hodson recapped a "used" LANCET which resulted
in a NEEDLE stick. IHS Policy STATE NO
Recapping of SHARPS for any reason.

STATEMENT BY EMPLOYEE:

RESOLUTION OF PROBLEM OR ACTION TAKEN:

SHARPS ARE NOT to be Recapped for any reason, @ anytime.
You NEED to Review Policies in the Infection Control
Manual. Failure to comply to Policies in the
future "will Result in Disciplinary Action or TERMINATION!"

David W. [Signature] RN
 Supervisor of Staff Member 8/31/97
Joseph [Signature] 8/22/97

K. Hodson [Signature] 8-22-97
 Signature of Employee Date

EMPLOYEE COUNSELING FORM

EMPLOYEE COUNSELING FORM

DATE:

22 Aug 97

EMPLOYEE:

Hodson K. LPN

PROBLEM:

MEDICATION ERROR - ON 21 Aug 97 LPN Hodson ADMINISTERED VALIUM 5mg to A RESIDENT INSTEAD OF OXYCONTIN 20 AS PER PHYSICIAN ORDERS. THE RESIDENT HAD NO VALIUM ORDERS. THE ERROR WAS DISCOVERED DURING THE NARCOTIC COUNT @ THE END OF THE SHIFT WHEN THE COUNT WAS FOUND INCORRECT. WHEN THE ERROR WAS DISCOVERED THE PHYSICIAN WAS NEVER NOTIFIED AND THERE WAS NO DOCUMENTATION THAT THE RESIDENT'S STATUS WAS EVALUATED!

STATEMENT BY EMPLOYEE

RESOLUTION OF PROBLEM OR ACTION TAKEN:

THIS WAS A SERIOUS ERROR WHICH HAD GREAT POTENTIAL TO CAUSE HARM TO THE RESIDENT. GREAT CARE MUST BE GIVEN WHEN ADMINISTERING NARCOTICS and/or ANY MEDICATION. YOU WILL BE SUSPENDED NEXT OCCURRENCE WITHOUT PAY. SHOULD AN INCIDENT OF SUCH NATURE OCCUR AGAIN DISCIPLINARY ACTIONS and/or TERMINATION WILL RESULT.

[Signature]
 Signature of State Manager

[Signature] 8/22/97
 Signature of Employee

EMPLOYEE COUNSELING FORM

Form 27-00

EMPLOYEE COUNSELING FORM

Vernul Morning

DATE: 12/1/97

EMPLOYEE: Kathy Hodson

PROBLEM: failure to follow medication administration policy + procedures. On 11/25/97 @ 9^{PM} you administered MS IR 30mg to ES instead of MS Contin 30mg.

STATEMENT BY EMPLOYEE:

RESOLUTION OF PROBLEM OR ACTION TAKEN:

It is your responsibility as the nurse administering medications to verify you are administering the correct medication to the correct resident at the correct time. Further occurrences of this nature will result in suspension +/or termination.

[Signature] 12/1/97
Signature of Staff Member Date

Kathleen Hodson 12-1-97
Signature of Employee Date

presented by [Signature]

EMPLOYEE COUNSELING FORM

EMPLOYEE COUNSELING FORM

DATE: 12-3-97

DATE: 12-3-77
EMPLOYEE: KATHLEEN HOODSON LPN

PROBLEM:

PROBLEM: Incomplete documentation I+O incomplete
for 12/2 for 4 assignment 45-47.

STATEMENT BY EMPLOYEE:

RESOLUTION OF PROBLEM OR ACTION TAKEN

RESOLUTION OF PROBLEM OR ACTION TAKEN
It is your responsibility to complete accurately
NO per transition order. Assume that
these are complete before the end of
your shift. Further Disciplinary actions
based - will Result in Further Disciplinary actions
J. Monahan PN 12-3-87
Signature of Staff Member Date
Kathleen Hodson PN 12-8-97
Signature of Employee Date

EMPLOYEE COUNSELING FORM

EMPLOYEE COUNSELING FORM

DATE: 12.29.97

EMPLOYEE: Kathy Nodson LPN

PROBLEM: Failure to follow Documented Physician Orders. Resident 492 found on floor 12.28.97 8:15 AM. Had only 1 siderail ↑ placed in bed - HAS ORDER for 4 (4) 1/2 rails to be ↑ when resident is in bed. Resident goated employee assisting "well he's alert enough" - he should have told the aide that all rails were supposed to be ↑

STATEMENT BY EMPLOYEE:

Employee assisted CNA to transfer resident to bed

I was not in room when resident was put into bed.

I did not say "well he's alert enough"

Lillian Bailey CNA was a witness to what I said

RESOLUTION OF PROBLEM OR ACTION TAKEN

Signature: [Signature] Date: 12.29.97

Signature: [Signature] Date: [Blank]

EMPLOYEE COUNSELING FORM

EMPLOYEE COUNSELING FORM

Verbal Warning

DATE: 2-18-98

EMPLOYEE: Kathy Hodson RN

PROBLEM

Failure to meet minimum standards of care. Resident
 C. C. ordered for daily wts on 3-11 shift. No weights
 obtained on this resident since 2-5-98. This resident can fill &
 fluid and go into CHF very quickly and daily weights are
 vital to monitoring for this. If you failed to complete this
 assigned duty X 1.

STATEMENT BY EMPLOYEE:

RESOLUTION OF PROBLEM OR ACTION TAKEN

Further failure to complete assigned duties will result in
 further disciplinary action and/or suspension/termination.
 Read all MARKS, Take seriously to ensure all orders
 are carried out.

Daniel Venezy RN 2-18-98
 Signature of Staff Member Date

Kathy Hodson RN
 Signature of Employee Date

EMPLOYEE COUNSELING FORM

EMPLOYEE COUNSELING FORM

DATE: 4-2-98
 EMPLOYEE: Kathy Hodson LPN

PROBLEM: On 3-30-98 resident QV [redacted] had IV ordered at 80cc/hour T.V.P.B. to run at 200cc/hour. Ms. Hodson left IV infusing at 200cc/hour. Entire bag infused resulting in IV infiltration and fluid overload.

STATEMENT BY EMPLOYEE:

RESOLUTION OF PROBLEM OR ACTION TAKEN

Suspension April 2 1998
 Any further medication error will result in termination

Sharon McLeod
Signature of Staff Member

Kathleen Hodson
Signature of Employee

Lee Myer RN 4/2/98
Date

EMPLOYEE COUNSELING FORM

EMPLOYEE COUNSELING FORM

DATE: 2/20/11

EMPLOYEE: Harvey L. Lee

PROBLEM;

PROBLEM: On 2/15/99 you initiated, then circled O. F. treatment for OBB Bid as tolerated + cooperative, however, you did not document why you did not complete the treatment as prescribed by the physician.

See attached.

STATEMENT BY EMPLOYEE:

I accept responsibility for not explaining why I circled - Dty. Res. ident did refuse to get O.O.B. is what I should've written on the back of T.R.

RESOLUTION OF PROBLEM OR ACTION TAKEN:

RESOLUTION OF PROBLEM OR ACTION TAKEN:
(Review his policy regarding documentation requirements when treatments are not completed per the physician's orders)

[Signature]
Signature of Staff Inmate

2/25/99

Kathleen Holsinger 3-1-99
Signature of Endorser Date

Signature of Executive

1-9

EMPLOYEE COUNSELING FORM

EMPLOYEE COUNSELING FORM

DATE: 6-6-01

DATE: 6-6-01
EMPLOYEE: Kathy Hodson, LPA

PROBLEM

LEW
ON 676-01

On 6-76-01
A. K. [redacted] showed me (her) drug on [redacted] P [redacted]
Tx a [redacted] her initials from 6-5-01 (even though)
you had initialled it on 3-11 shift. Please
be more careful.

STATEMENT BY EMPLOYEE

STATEMENT BY EMPLOYEE:
As this is 6-21-01 when I received this, I cannot remember. I probably forgot to circle it. I will circle it, I don't get to, if I am unable in the future.

RESOLUTION OF PROBLEM OR ACTION TAKEN:

D. Marsili R
Signature of Spill Monitor

Kathleen Wilson
Signature of Employee

EMPLOYEE COUNSELING FORM

Disciplinary Action Form

Disciplinary Action Form

Date 11-15-01Name Kathy HodsonDept. 1012502 Nsg

Disciplinary Action:

Verbal* ☒Written ☐Written & Suspension ☐Discharge ☐

To the employee:

Your performance has been found unsatisfactory for the reasons set forth below. Your failure to improve or avoid a recurrence will be cause for further disciplinary action.

Details: Absenteeism: Policy is 6 separate occurrence within
Any 12 month period. Employee absent on 1-22-01 1-23-01 Jul, 6-22-01
Back hurts, 7-17-01 walked off the job (back), 9-9-01 back pain, 11-10-01
Back hurts, & 5 Absences & Any Further Absences will
Result in Disciplinary Action.

A copy of this warning was personally delivered to the above employee by:

[Signature] 11-15
Supervisor

[Signature] HK 11-15-01
Date

I have received and read this warning notice. I have been informed that a copy of this notice will be placed in my personnel file.

Reviewed & refusal to sign
R/T "I'm on workman's comp & I miss
ble of my back"
11/15/01 Date

Disciplinary Action Form

Disciplinary Action Form

Date 1-29-02
Name Kathy Howard
Dept. Nursing

Disciplinary Action:

Verbal* ☐Written ☐Written & Suspension ☐Discharge ☐

To the employee:

Your performance has been found unsatisfactory for the reasons set forth below. Your failure to improve or avoid a recurrence will be cause for further disciplinary action.

Details:

Notified of potential attendance problem

A copy of this warning was personally delivered to the above employee by:

Bobbi D. H.
Supervisor

1-29-02
Date

I have received and read this warning notice. I have been informed that a copy of this notice will be placed in my personnel file.

Would not sign

Employee

Date

*Completion of this form shall serve as documentation only and should not be filed in the employee's personnel file.

Disciplinary Action Form

Disciplinary Action Form

Date 1/19/08
 Name Kathleen Hodson
 Dept. NSG

Disciplinary Action:

Verbal* ☒Written ☐Written & Suspension ☐Discharge ☐

To the employee:

Your performance has been found unsatisfactory for the reasons set forth below. Your failure to improve or avoid a recurrence will be cause for further disciplinary action.

Details:

On 1/18, 1/19, 1/20 employee failed to punch in and out for lunch despite prior reminders to punch in and out for a 30 min lunch per 8hr shift. On 1/18, employee punched in 24 minutes early. On 1/19, employee punched in 14 minutes early. On 1/20 employee punched in 14 and 3 minutes early - employees are not to punch in more than 5 minutes early.

A copy of this warning was personally delivered to the above employee by:

You must take your 1/2 hr lunch every day you work. we will schedule it along to your work schedule ea. day.

Supervisor

Date

I have received and read this warning notice. I have been informed that a copy of this notice will be placed in my personnel file.

* Reported She Has Been to Being to take lunch.

Employee

Date

*Completion of this form shall serve as documentation only and should not be filed in the employee's personnel file.

Disciplinary Action Form

Disciplinary Action Form

Date

14 May 02

Name

K. Hudson (CN)

Dept.

NSG

Disciplinary Action:

Verbal* ☒Written ☐Written & Suspension ☐Discharge ☐

To the employee:

Your performance has been found unsatisfactory for the reasons set forth below. Your failure to improve or avoid a recurrence will be cause for further disciplinary action.

Details:

Failed to Complete Narcotic Count, Count Found Incorrect, Failed to Document Narcotic Given to Resident, on 13 May 02.

* Employee was provided Education Materials "Maintaining Control over Controlled Drugs" It's Hazard

A copy of this warning was personally delivered to the above employee by:

Supervisor

Date

I have received and read this warning notice. I have been informed that a copy of this notice will be placed in my personnel file.

Employee

Date

Happy Nurses' Week

Usually, the supervisor, "pencil in" your name, and the next day, ask you to sign in the space on the this book provided. I very seldom, forget to sign off, that's why I can't understand, being written up for this. I see several blank spaces in the narc book & I can't find out, about them. He said I wasn't to worry about anyone else. This was about me, only. K. Hudson 5/14/02

FORMS 6

TES - BAYSIDE
PUNCH DETAIL REPORT
Current pay period

05/20/02 11:37a Page 1

HODSON, KATHLEEN D. 200347211 1012502 88---F-
ID IN DEPT OUT ID IN DEPT
Fri 05/17 248p*U 322p

OUT TOTALS
0.50 0.50

Dept: 1012502 LTC NON-CERTIFIED LPN
REG, 0.50

EXHIBIT

"F"

NORTHWEST

50-1 S. [REDACTED] P. [REDACTED]
 50-2 C. [REDACTED], B. [REDACTED] S

51-1 K. [REDACTED] M. [REDACTED] MOD

52-1 S. [REDACTED] H. [REDACTED] T

52-2 S. [REDACTED] G. [REDACTED] MOD

53-2 G. [REDACTED], R. [REDACTED] - MAX

54-1 L. [REDACTED], M. [REDACTED] - S

54-2

55-2 M. [REDACTED], F. [REDACTED] MOD

57-1 C. [REDACTED], G. [REDACTED] S

57-2

58-1 M. [REDACTED], D. [REDACTED] MAX

58-2 L. [REDACTED] S. [REDACTED] S

59-1

59-2 W. [REDACTED], A. [REDACTED] MOD

60-1 B. [REDACTED], M. [REDACTED] J. [REDACTED] MIN

60-2 V. [REDACTED], E. [REDACTED] T

61-1 V. [REDACTED], F. [REDACTED] T

61-2 L. [REDACTED], B. [REDACTED] MOD

62-1

62-2

63-1 H. [REDACTED], T. [REDACTED] MAX

63-2 R. [REDACTED], L. [REDACTED] MAX

64-1 A. [REDACTED] L. [REDACTED] S

64-2

65-1 F. [REDACTED] R. [REDACTED] S

65-2 S. [REDACTED], A. [REDACTED] hamol

AMBASSADOR

66-1 M. [REDACTED] J. [REDACTED] T

66-2 F. [REDACTED] F. [REDACTED] T

67-1 J. [REDACTED] C. [REDACTED] - S

67-2 B. [REDACTED] M. [REDACTED] T

68-1 V. [REDACTED] H. [REDACTED] S

68-2 C. [REDACTED] R. [REDACTED] T

69-1 G. [REDACTED] G. [REDACTED] S

69-2 K. [REDACTED] R. [REDACTED] MOD

70-1 M. [REDACTED] J. [REDACTED] S

70-2 D. [REDACTED] D. [REDACTED] T

71-1 P. [REDACTED] L. [REDACTED] T

71-2 S. [REDACTED] M. [REDACTED] T

72-1 C. [REDACTED] C. [REDACTED] S

72-2 R. [REDACTED] H. [REDACTED] S

73-1 S. [REDACTED] A. [REDACTED] T

73-2 M. [REDACTED] E. [REDACTED] T

74-1 C. [REDACTED] A. [REDACTED] T

74-2 A. [REDACTED] O. [REDACTED] MAX

75-1 B. [REDACTED] J. [REDACTED] MOD

75-2 N. [REDACTED] B. [REDACTED] MOD

TOTAL = 20

Total CASE = 9

Supervision = 7

MOD = 2

LED = 1

MAX = 1

CNA = 2

EXHIBIT

"G"

HA = 3.5(4)

TOTAL = 20

Supervision = 6

MOD = 4

LED = 3

Total CASE = 3

MIN = 1

May 17, 2002

meeting 17 May 2002 w/ Kathy
Hodson, David Dinges DON, Shild R. St
(Human Resource) and myself (Cathy Kinross
NW - unit manager).

David: "what is your issue"

Kathy Hodson - "I can't work that Hall"
(referring to N.W. Hall)

David - "why?"

Kathy Hodson "I can't"

David "why?"

Kathy H. "I can't"

David: "You have to give me a reason"

Kathy H: "I don't have to tell you"

David: "what are your restrictions"

20# LIFT & No Pushing

No polling

Kathy H: "I was told that H.W. Hall
is the shortest Hall in the Building"

DAVID: "All you need to do is Follow
your restrictions and get help
when you need it."

Kathy H: "That's it I'm leaving"

Cathy M: "Kathy if you leave you will
be terminated for ~~abandonment~~
abandonment"

Kathy H: "No I won't because I
- KIDNAP DURING OF IN

EXHIBIT

"H"

tabbies

Cathy M: — Kathy, when was the last
time you worked that hall
(NW)

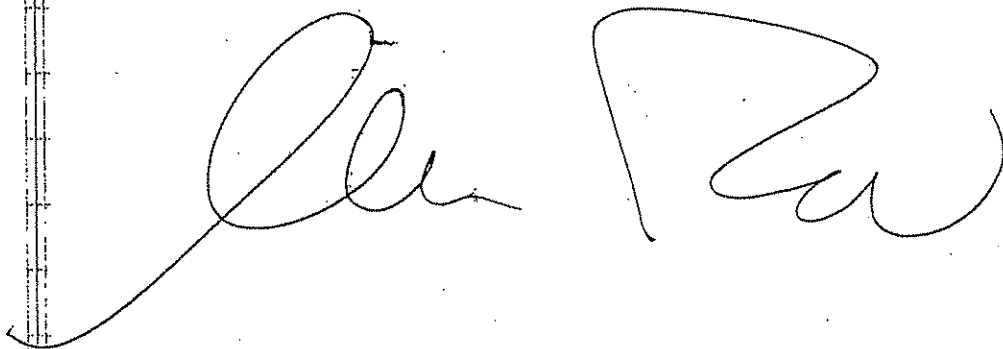
Kathy H — I haven't worked that Hall

Cathy M. — Kathy your restriction
list nothing in regard to
the # of residents on a hall
or the occupancy — so how can
you say you're not working
that Hall.

Kathy H: "That's it I'm
Leaving"

Cathy M: If you leave your
& Dave position will be terminated

Kathy H: Well I'm Leaving



5.17.02

Disciplinary Action Form

Disciplinary Action Form

Date

17 May 02

Name

Cathy Hodson CPN

Dept.

NCS

Disciplinary Action:

Verbal* ☐ Written ☐ Written & Suspension ☐Discharge ☒

To the employee:

Your performance has been found unsatisfactory for the reasons set forth below. Your failure to improve or avoid a recurrence will be cause for further disciplinary action.

Details:

CPN WAS ASSIGNED NW Hall on 17 May 3-11p shift. CPN came to Don Ch. She could not work that Hall it was not in her restriction. I told her, her restrictions were no restriction, no pulling or lifting/lifting no matter what hall you are on. She stated then I'm leaving! I told her if you leave you are done, you will no longer be employed here. CPN said then I'm leaving.

A copy of this warning was personally delivered to the above employee by:

Supervisor

Date

17 May 02

I have received and read this warning notice. I have been informed that a copy of this notice will be placed in my personnel file.

Employee

Date

EXHIBIT

tabbles

"1"

GENERAL ORIENTATION PROGRAM MANUAL

MISSION AND QUALITY STATEMENTS

The IHS Mission

To provide our patients/residents with the highest quality of cost-effective medical care, while continually recognizing:

■
The human dignity of patients/residents.

■
The personal investment of employees.

■
The healthcare needs of the communities in which we operate.

■
The financial expectations of investors.

IHS Quality Statement

Quality means meeting the needs and surpassing the expectations of our patients/residents, physicians, payors, employees, stockholders, and the communities we serve through teamwork and commitment to a process of continuous improvement. Achieving quality is a process of regular measurement, systematic feedback, continuous improvement, and innovation.

IHS Purpose Statement

Our purpose is to be the employer and provider of choice, delivering value added services; exceeding customer and financial expectations.

Original: 01/94
Revision: 09/96

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HO-8

EXHIBIT

"J"

GENERAL ORIENTATION PROGRAM MANUAL

WELCOME TO INTEGRATED HEALTH SERVICES, INC. (IHS)

We at Integrated Health Systems, Inc. (IHS) welcome you to our team. We sincerely hope that this will be the beginning of a mutually rewarding relationship. At IHS, we believe that we have a responsibility to provide the highest quality health care to our patients/residents. Each employee is to work toward this standard.

The growth and progress of any company depends on its people...people with initiative, creativity, and enthusiasm, working in an atmosphere of respect and harmony. We have such people at IHS.

We are a growth oriented company and we invite you to grow along with us by taking advantage of the many opportunities open to you. We believe that you will share the pride and satisfaction we have in being able to participate in the future and progress of IHS.

In your position, you have become a part of a company which is building a reputation in our industry for the highest quality service, courtesy, and professionalism. You were selected because we believe you have the potential and desire to meet these high standards and will help us maintain our position of leadership.

IHS promotes an atmosphere of open two-way communication and cooperation by keeping our employees informed of goals, procedures, and other activities which may be of interest to them. This orientation program reflects that thinking.

All departments within Corporate IHS are here to serve you and we ask that you use us as a resource and a support system.

Original: 01/94
Revision: 09/96

GENERAL ORIENTATION PROGRAM MANUAL

IHS: THE COMPANY, PHILOSOPHY, MISSION, GOVERNANCE AND CULTURE

When you join IHS, you become part of a leading national health care organization committed to serving the public with care and compassion. From your first day at work, we'll be counting on you to do your best to help us maintain the standards of clinical excellence our customers expect. You'll join thousands of others throughout the nation whose daily efforts make IHS the Provider of Choice.

We try to maintain a work atmosphere that will enable you to achieve your fullest potential. Our approach to work has always been results-oriented, quality-based, customer-focused, and founded on shared values of teamwork, trust, integrity, compassion, and respect for the individual. We strive to deliver only the best for our high-caliber team of employees and for all those who depend on our care. In an industry where change is perhaps the only thing that's constant, those high standards will never be altered.

IHS has been a pioneer and leader in innovative health care delivery for nearly a decade. Founded by a practicing physician in 1986, IHS offers alternatives to traditional medical care models which can substantially lower costs, help maintain reasonable hospital levels, and provide even greater quality of care.

Integrated Health Services, Inc. ("IHS" or the "Company") is a medical services company focused on providing post-acute care to a wide variety of patients/residents. The Company's strategy is to use geriatric care healthcare centers as an alternative site to provide a wide range of medical and rehabilitative services which traditionally have been provided in the acute care hospital, but at a significantly lower cost than hospital based care. The Company provides subacute care through medical specialty units ("MSUs") located within its healthcare centers.

IHS is a highly diversified health services provider, offering a broad spectrum of subacute and post-acute medical rehabilitative services through its post-acute healthcare system. IHS's post-acute services include subacute care, inpatient and outpatient rehabilitation, respiratory therapy, home healthcare, hospice care, and diagnostic services, supporting the full continuum of healthcare needs.

Original: 01/94
Revision: 09/96

GENERAL ORIENTATION PROGRAM MANUAL

IHS PRODUCTS

Catastrophic Injury Rehabilitation

Dysphagia Management

General Rehabilitation

Infectious Disease Management

Nutritional Support/Management

Pain Management

Renal Management

Post Surgical Recovery

Pulmonary Rehabilitation

Deep Vein Thrombosis

Diabetes Management

COPD Management

Original: 01/94
Revision: 09/96

GENERAL ORIENTATION PROGRAM MANUAL

CORPORATE ORGANIZATIONAL STRUCTURE

CORPORATE OFFICE DEPARTMENTS

Accounting	Internal Audit
Accounts Payable	Investor Relations
Acquisitions	Legal
Administration	Managed Care
Clinical Services	Operations (Field and Corporate)
Communications/Marketing	Outcomes Management and Research
Development	Payroll
Environmental Services	Purchasing/Materials Management
Facility Financial Services	Reimbursement
Finance	Risk Management
Health Benefits	Treasury
Human Resources	
Information Services	

CORPORATE ORGANIZATIONAL STRUCTURE

The Company is organized as follows: Chief Executive Officer, Chief Operating Officer, Executive Vice Presidents, Senior Vice Presidents, Vice Presidents, Directors, Managers, and remaining corporate staff.

KEY CORPORATE PERSONNEL

Robert N. Elkins, M.D. has been Chairman of the Board and Chief Executive Officer of the Company since March 1986 and also served as President from March 1986 to July 1994. From 1980 until founding IHS in 1986, Dr. Elkins was a co-founder and Vice President of Continental Care Centers, Inc., an owner and operator of long term healthcare centers. From 1976 through 1980, Dr. Elkins was a practicing physician. Dr. Elkins is a graduate of the University of Pennsylvania, received his M.D. degree from Upstate Medical Center, State University of New York, and completed his residency at Harvard Medical Center.

Lawrence P. Cirka, has been President and Chief Operating Officer and a director of the Company since July 1994, and served as Senior Vice President and Chief Operating Officer of the Company from October 1987 to July 1994. Prior to joining IHS, Mr. Cirka served in various operational capacities with Unicare Healthcare Corporation, a long-term health care company, for 15 years, most recently as Vice President - Western Division, where he had operational and financial responsibility for 46 long-term healthcare centers exceeding 5,000 beds. Mr. Cirka is a graduate of Clarion University and Licensed Nursing Home Administrator in Pennsylvania, Florida, and Washington.

Original: 01/94
Revision: 09/96

GENERAL ORIENTATION PROGRAM MANUAL

DEFINITION OF SUBACUTE CARE AND MEDICAL SPECIALTY UNIT (MSU)

Advances in medical technology, coupled with increasing pressures to reduce the soaring cost of hospital acute care, have recently altered long-held assumptions about the types of healthcare centers in which patients/residents should be treated. As a result, subacute care centers are viewed as a preferable care alternative for many seriously ill, but medically stable patients/residents. These patients/residents no longer need acute care hospital services, yet still require highly skilled nursing, rehabilitative care, and technologically advanced therapies.

Pioneered and perfected by IHS, subacute care is practical in the Medical Specialty Unit (MSU) - a "mini-hospital" center offering advanced technologies and medical care - all in a comforting high-tech environment conducive to recovery.

The Company's MSU's are 10 to 50 bed subacute specialty care units located within discrete areas of IHS' healthcare centers, with physical identities, specialized medical technology and medical staffs separate from the geriatric care healthcare centers in which they are located. An acute care nurse, or a nurse with similar qualifications, serves as Unit Manager of each unit, which is staffed with nurses having experience in the acute care setting. The operations of each MSU are generally overseen by a board certified specialist in that unit's areas of treatment. The patients/residents in each MSU are provided with a high degree of monitoring and specialized care similar to that provided by acute care hospitals. The physiological monitoring equipment required by the MSU is often equivalent to that found in the acute care hospital. The company opened its first MSU program during the fourth quarter of its 1988 fiscal year and approximately one-third of all MSU patients/residents are under the age of 70.

Although each MSU has the treatment capabilities of an acute care hospital in the MSU's area of specialization, the Company believes the per diem treatment costs are generally 30% to 60% less than in acute care hospitals, also a cost effective alternative for risk contracts, and the MSU is less "institutional" in nature than the acute care hospital. Also, unlike in an acute care hospital where visiting hours are fixed, families may visit MSU patients/residents whenever they wish and family counseling is provided. In marketing its MSU programs to insurers and healthcare providers, IHS emphasize the cost savings of its treatment as compared to acute care hospitals. The Company emphasizes the improved "quality of life" compared to acute care and long-term care hospitals in marketing its MSU programs to hospital patients/residents and their families.